Government of Saskatchewan

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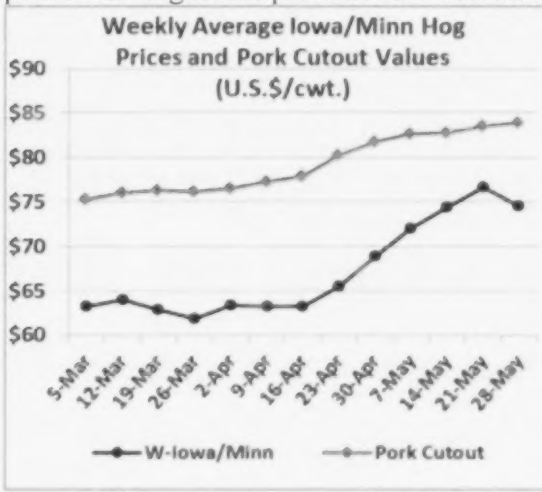
Weekly Hog Report

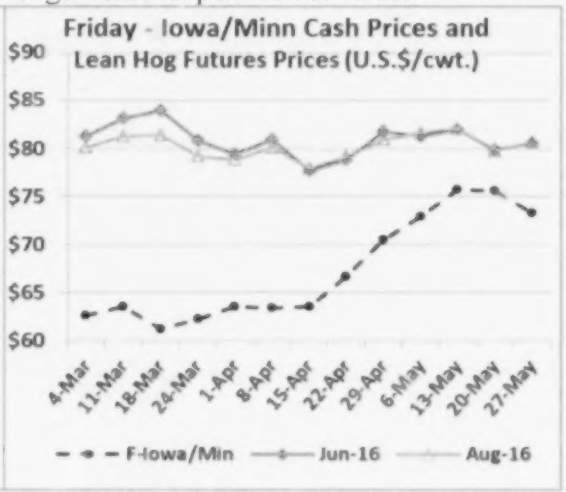
May 30, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged lower over the week to end the week lower, week-over-week. Hog prices on Friday May 27 averaged US$73.21 per cwt, down US$2.38 per cwt or 3.2 per cent from US$75.59 per cwt the previous Friday. The negotiated base price last week averaged US$74.47 per cwt, down US$2.18 per cwt or 2.8 per cent from US$76.65 per cwt the previous week. Weekly cash hog prices were higher the previous few weeks on stronger seasonal pork cutout values.



Source: LMIC



Source: LMIC, CME

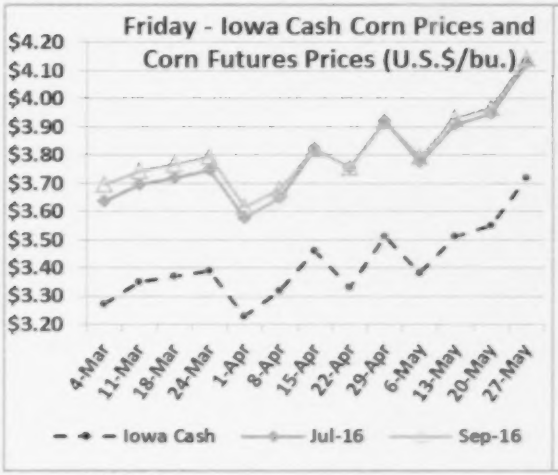
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday May 27, 2016 was $174.65 per ckg, down $7.71 per ckg or 4.2 per cent from $182.36 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $178.71 per ckg, down $2.23 per ckg or 1.2 per cent from the previous weeks' average price of $180.94 per ckg. The Canadian dollar edged higher last week closing Friday at 76.70 cents, up 0.50 cents from 76.20 cents the previous Friday.

Futures Markets

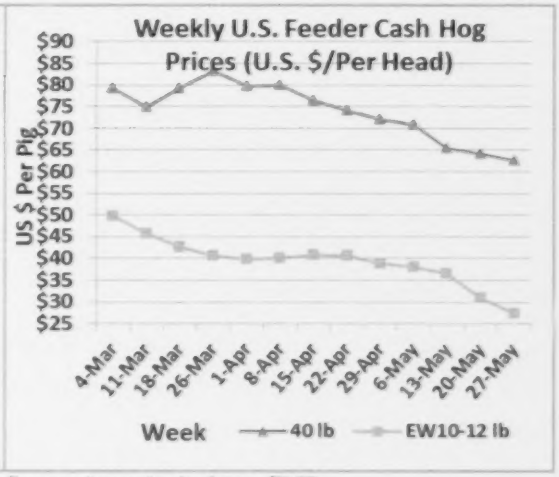
United States lean hog futures daily prices were mixed last week but mostly higher to end the week higher, week-over-week. The June-to-August 2016 lean hog futures contracts increased between US$0.675 per cwt and US$0.975 per cwt. The nearby June contract increased US$0.675 per cwt to settle Friday at US$80.525 per cwt, while the August contract increased US$0.975 per cwt to settle Friday at US$80.725 per cwt. Slaughter weight cash hog prices were over US$7 per cwt lower than summer futures prices.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices continued lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$27.39 per head, down US$3.40 per head from US$30.80 per head the previous week. Feeders (40lb) averaged US$62.45 per head, down $1.62 per head from US$64.07 per head, the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

U.S corn prices were higher last week to end the week higher, week-over-week. Iowa cash corn prices increased seventeen cents to settle Friday at US$3.72 per bushel. U.S. daily corn futures prices were primarily higher over the week to end the week significantly higher, week-over-week. The July 2016 corn contract increased over eighteen cents to settle Friday at US$4.12 ¾ per bushel, while the September 2016 corn contract increased over seventeen cents to settle Friday at US$4.14 ¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending May 28 were estimated 2.181 million head, up 3.2 per cent from 2.114 million head the previous week, and up 17.1 per cent from 1.863 million head the same week (but shorter) a year ago. U.S. hogs slaughtered over the last four weeks ending May 28 averaged 2.168 million head per week, up 5.3 per cent from 2.060 million head the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 21, 2016 were estimated at 400,501 head, down 0.9 per cent from 403,970 head the previous week, and down 0.7 per cent from 403,206 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 402,766 head, down 0.9 per cent from 406,575 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 8,295,661 head, up 2.7 per cent from 8,074,373 head over the same period in 2015.

Meat Production

U.S. pork production for the week ending May 28, 2016 was estimated at 465.0 million lb., up 3.0 per cent from 451.5 million lb. the previous week, and up 16.6 per cent from 398.7 million lb. the same week (but shorter) a year ago. Pork production over the last four week's ending May 28 was estimated to average 462.4 million lb., up 5.3 per cent from 439.0 million lb. over the same four week period a year ago.

U.S. beef production for the week ending May 28 was estimated at 475.6 million lb., down 0.3 per cent from 477.2 million lb. the previous week, but up 11.7 per cent from 425.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 21, 2016, was estimated to average 2.064 billion lb., up 2.6 per cent from 2.011 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up 2.3 per cent compared to the same period in 2015.

United States Weekly Meat Production

(May 21) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	454.0	460.1	1.3%	0.1%
Beef	460.4	479.5	4.1%	3.8%
Chicken	971.8	988.7	1.7%	2.8%
Turkey	125.3	135.8	8.4%	1.0%
Total	**2,011.4**	**2,064.1**	**2.62%**	**2.29%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending May 28, 2016 averaged US$83.91 per cwt, up 0.5 per cent or US$0.41 per cwt from US$83.50 per cwt the previous week, but down 2.8 per cent from US$86.34 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending May 28, 2016 averaged US$223.19 per cwt over the week, down US$2.53 per cwt or 1.1 per cent from US$225.72 per cwt the previous week, and down 21.8 per cent from US$251.71 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending May 28, 2016 averaged US$119.03 per cwt, down 5.4 per cent from US$125.87 per cwt the previous week, and down 25.1 per cent from US$158.90 per cwt the same week a year ago.

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